

304.17A-741 Audit of pharmacy records -- Conditions.

When an audit of the records of a pharmacy is conducted by an auditing entity, it shall be subject to the following conditions:

- (1) The auditing entity shall give at least thirty (30) days' written notice to the pharmacy prior to conducting the audit for each audit to be conducted;
- (2) An audit performed by the auditing entity that involves clinical or professional judgment shall be conducted in consultation with a pharmacist;
- (3) A pharmacy may use the records of a hospital, physician, or other practitioner as defined in KRS 217.015(35), or transmitted by any means of communication, for purposes of validating pharmacy records with respect to orders or refills of a drug;
- (4) The recoupment of claims shall be based on the actual overpayment or underpayment of claims unless the pharmacy agrees to a settlement to the contrary;
- (5) A pharmacy shall be audited under the same standards and parameters as other similarly situated pharmacies audited by the auditing entity;
- (6) The period covered by the audit shall not exceed two (2) years from the date the claim was submitted for payment except if a longer period is allowed by federal law or if there is evidence of fraud;
- (7) An audit shall not be scheduled during the first seven (7) calendar days of any month, unless consented to by the pharmacy;
- (8) A preliminary audit report shall be delivered to the pharmacy within one hundred twenty (120) days after the exit interview;
- (9) A final audit report shall be delivered to the pharmacy within six (6) months after receipt of the preliminary audit report or after all appeals have been exhausted, whichever is later;
- (10) The auditing entity shall allow a pharmacy at least thirty (30) days following receipt of the preliminary audit report to produce documentation to address any discrepancies found during an audit;
- (11) The final audit report shall provide claim-level detail of the amounts and reasons for each claim recovery found due. If no amounts have been found due, the final audit report shall so state;
- (12) The auditing entity shall not receive payment based on a percentage of the amount recovered in an audit; and
- (13) The auditing entity shall conduct an exit interview at the close of the audit. The exit interview shall be conducted at a time agreed to by the audited pharmacy. The interview shall provide the audited pharmacy an opportunity to:
 - (a) Respond to questions from the auditing entity;
 - (b) Review and comment on the initial findings of the auditing entity; and
 - (c) Provide additional documentation to clarify the initial findings of the auditing entity.

Effective: June 25, 2009

History: Created 2009 Ky. Acts ch. 76, sec. 2, effective June 25, 2009.